

EX PARTE OR LATE FILED

ORIGINAL

KIRKLAND & ELLIS

PARTNERSHIPS INCLUDING PROFESSIONAL CORPORATIONS

655 Fifteenth Street, N.W.
Washington, D.C. 20005

202 879-5000

Facsimile:
202 879-5200

Steven G. Bradbury
To Call Writer Directly:
(202) 879-5082
steven_bradbury@dc.kirkland.com

April 18, 2000

BY HAND

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

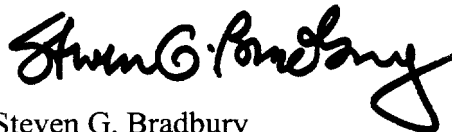
RECEIVED
APR 19 2000
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: GTE Corp. and Bell Atlantic Corp., CC Docket No. 98-184

Dear Ms. Roman Salas:

This is to provide notice that on April 17, 2000, an *ex parte* meeting took place in connection with the matter referenced above. Attending on behalf of the applicants were Alan Ciamporcero of GTE, Don Evans of Bell Atlantic, Mark Hileman of Genuity, Liz Dente of GTE Telecom, Lu Wanger of GTE Telecom and Steve Bradbury of Kirkland & Ellis. In attendance for the Commission were Jim Bird, Michelle Carey, Jake Jennings, Johanna Mikes, Paula Silberthau and Don Stockdale. The purpose of the meeting was to describe the lines of business of GTE Telecom that will be included in Genuity when it is spun off from GTE. The information contained in the attached materials was discussed.

Very truly yours,



Steven G. Bradbury

Attachments

cc: Michelle Carey, Esq.
Johanna Mikes, Esq.

No. of Copies rec'd 0+1
List ABCDE

Chicago

London

Los Angeles

New York

April 18, 2000

I. DESCRIPTION OF GTE TELECOM

GTE Telecom Incorporated is an interexchange carrier that provides dedicated, point-to-point domestic and international private line services. Total private line revenues for 1999 were approximately \$90-95M. Since early 1998, GTE Telecom management has reported to GTE Internetworking. GTE Telecom's revenues are reported under GTE Internetworking on GTE Corporation's consolidated financial statements. GTE Telecom's business is described in the Genuity SEC Form S-1 Registration Statement (filed Apr. 7, 2000) under the heading "Transport" at pages 25, 28 and 40, and under the heading "Regulatory Matters" at pages 50-52.

The GTE Telecom lines of business that will be included in Genuity are the following:

A. Private Line Resale – Commercial/Financial Customers

GTE Telecom provides resale of private line, point-to-point special access service (DS-0 and DS-1 circuits) to approximately one hundred commercial/financial customers (mainly brokerage houses and banks). Formerly part of GTE Spacenet, GTE Telecom has been serving this niche market of legacy customers for more than 10 years. As a reseller of interexchange services, GTE Telecom does not inquire as to its customer's use of the services provided and does not exercise control over such use. Most of GTE Telecom's commercial/financial customers are based in New York; approximately 96% of the circuits provided have one end point in New York. Annual 1999 revenues for this line of business were approximately \$25M.

B. Capacity Sales – Facilities-Based Midwest and Indiana Fiber Optic Network

GTE Telecom owns and operates a legacy, interexchange fiber optic network in Arkansas, Illinois, Indiana and Missouri. GTE Telecom acquired these network assets in 1991 to facilitate GTE's merger with Contel. Although not part of the Genuity Global Network Infrastructure (GNI), this network connects to GNI facilities at certain GTE Telecom locations. GTE Telecom sells capacity from this network to other carriers, including, for example, AT&T and MCI WorldCom, which use the capacity to extend their IXC networks into rural areas throughout these four states. Annual 1999 revenues for capacity sales from this Midwest network were approximately \$35-40M.

C. Capacity Sales – Leased Based National Fiber Optic Network

GTE Telecom resells, on a wholesale basis, network capacity (DS-1 up to OC 12) to carrier/ISP customers. GTE Telecom's National Fiber Optic Network consists of capacity

leased from underlying providers, including Genuity's GNI, AT&T and MCI. As a capacity reseller, GTE Telecom does not inquire as to its customers' use of the capacity services provided and does not exercise control over such use. GTE Telecom's capacity customers include, among others, Williams, MCI WorldCom (UUNET), Level 3, Cable & Wireless and Frontier. Annual 1999 revenues for this line of business were approximately \$30M.

D. International Cable Connections

GTE Telecom holds global, facilities-based 214 authorizations. In addition, GTE Telecom currently plans to take assignment of the cable landing license and the associated 214 for the Americas II undersea cable from GTE Communications Corporation.

* * *

Attached hereto are the Descriptions of Services set forth in GTE Telecom Incorporated Tariff FCC No. 1 International Common Carrier Service and GTE Telecom Incorporated Tariff FCC No. 3 Interstate Common Carrier Service.

II. GTECC'S INTEREXCHANGE SERVICES TO LARGE BUSINESS CUSTOMERS WITHIN THE BELL ATLANTIC REGION AND THE STEPS TAKEN BY GTE TO CEASE OFFERING SUCH SERVICES

Through its Strategic Markets unit, GTE Communications Corporation currently resells interLATA data private line and frame relay services to a small number of large business customers in the Bell Atlantic region. GTECC's total annual 1999 revenues for these services were approximately \$10 million for private line and \$9 million for frame relay.

In connection with the GTE/Bell Atlantic merger, GTECC is exiting from this interLATA business within the Bell Atlantic states. GTE has contacted the affected private line and frame relay customers and advised them that they could choose a new carrier or could have their accounts transitioned to the underlying carrier. In each case, GTE offered to assist in facilitating the transition to another carrier. GTE has not "sold" these customer accounts and will receive no compensation for the transfer to another carrier.

None of these customers was offered services from Genuity. One customer, Cable & Wireless, was receiving approximately \$30,000 per year of Internet-based services from Genuity through a contract with GTECC. At C&W's request, Genuity is now in the process of negotiating a separate contract with C&W to continue to provide these services.

SECTION 3 - SERVICE DESCRIPTION

3.1 Dedicated Transport Services

The Company provides International Dedicated Transport service. Dedicated transport services are offered on a point-to-point basis. Each Dedicated Transport Service is dedicated to the Customer and the entire usable bandwidth for each service is available to the Customer for its exclusive use.

- 3.1.1 The following is a list of International Locations to which Telecom provides International Dedicated Transport service from the United States. Cities served therein are as specified in Section 4.3.

International Locations

Canada
United Kingdom

SECTION 3 - SERVICE DESCRIPTION (Contd.)

3.2 Grades of Services

3.2.1 DS-1 Service/Data Grade Service

DS-1 Service is a dedicated, high capacity, full duplex channel with a line speed of 1.544 Mbps isochronous serial data having signal format of either Alternate Mark Inversion (AMI) or Bipolar 8 Zero Substitution (B8ZS) and either Superframe (D4) or Extended Superframe (ESF) formats. DS-1 Service has the equivalent capacity of 24 64-Kbps channels.

3.2.2 DS-O/Data Grade Service

DS-O Service/Data Grade Service is a dedicated, full duplex digital channel with line speed of 64 Kbps.

3.2.3 Voice Grade Service

Voice Grade Service is a dedicated, full duplex, digital channel with line speeds up to 64 Kbps. Actual line speed is established at the Company's discretion.

SECTION 3 - SERVICE DESCRIPTION (Contd.)

3.4 Optional Services

At the option of the Customer, voice grade channels may be conditioned to have one or more of the following sets of characteristics.

- (i) C-Type Conditioning is provided for the additional control of attenuation distortion and envelope delay distortion on data type services.
- (ii) Improved Attenuation Distortion Conditioning is provided for additional control of attenuation distortion, and is provided in lieu of C-Type conditioning.
- (iii) Improved Envelope Delay Distortion Conditioning is provided for additional control of envelope delay distortion, and is provided in lieu of C-Type conditioning.
- (iv) Data Conditioning is provided for the control of Signal to C-Notched Noise Ratio and intermodulation distortion.

SECTION 3 - SERVICE DESCRIPTION

3.1 Dedicated Transport Services - General

The Company provides Interstate Dedicated Transport service. Dedicated Transport Services are offered on a point-to-point basis. Each Dedicated Transport Service is dedicated to the Customer and the entire usable bandwidth for each service is available to the Customer for its exclusive use.

3.1.1 The cities served by Company are as specified in Section 4.2.

SECTION 3 - SERVICE DESCRIPTION (Contd.)**3.3 Grades of Service****3.3.1 DS-1 Service/Data Grade Service**

DS-1 Service is a dedicated, high capacity, full duplex channel with a line speed of 1.544 Mbps isochronous serial data having signal format of either Alternate Mark Inversion (AMI) or Bipolar 8 Zero Substitution (B8ZS) and either Superframe (D4) or Extended Superframe (ESF) formats. DS-1 Service has the equivalent capacity of 24 64-Kbps channels.

3.3.2 DS-0/ Data Grade Service

DS-0 Service/Data Grade Service is a dedicated, full duplex digital channel with line speed of 64 Kbps.

3.3.3 Voice Grade Service

Voice Grade Service is a dedicated, full duplex, digital channel with line speeds up to 64 Kbps. Actual line speed is established at the Company's discretion.

3.3.4 DS-3 Service

DS-3 Services provided are provisioned via a point-to-point linear transport network. ^N
The DS-3 Service represents an electrical equivalent synchronous transport signal (STS) in the fiber optic based hierarchy. The DS-3 transmission rate is equivalent to 45.00 Mbps.

SECTION 3 - SERVICE DESCRIPTION (Contd.)**3.4 Optional Services**

At the option of the Customer, voice grade channels may be conditioned to have one or more of the following sets of characteristics.

- (i) C-Type Conditioning is provided for the additional control of attenuation distortion and envelope delay distortion on data type services.
- (ii) Improved Attenuation Distortion Conditioning is provided for additional control of attenuation distortion, and is provided in lieu of C-Type conditioning.
- (iii) Improved Envelope Delay Distortion Conditioning is provided for additional control of envelope delay distortion, and is provided in lieu of C-Type conditioning.
- (iv) Data Conditioning is provided for the control of Signal to C-Notched Noise Ratio and intermodulation distortion.

2.14 Interconnection

2.14.1 Service furnished by the Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other common carriers or systems. The Company does not undertake to provide any special facilities, equipment, or services to enable the Customer to interconnect the facilities or the equipment of the Company with services or facilities of other common carriers or with private systems.

2.14.2 The Customer shall ensure that the facilities or equipment provided by the Customer are properly interconnected with the facilities or equipment of the Company. Company may take immediate action to protect its Services or interests, including but not limited to temporarily suspending the Service to prevent harm to the Company's facilities, equipment, personnel, or Service. If the Customer maintains or operates the interconnected facilities or equipment in a manner which results or may result in harm to the Company's facilities, equipment, personnel, or the quality of service, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If the Customer fails to eliminate the actual or potential harm after receipt of written notice, the Company may, terminate the existing service of the Customer under the provisions of Section 2.6.2 of this tariff.

2.14 Interconnection (Cont'd)

- 2.14.3 In compliance with Section 11 of the order of the Federal Communications Commission In the Matter of GTE Telecom Incorporated Application for Authority Pursuant to Section 214 of the Communications Act, As Amended, and Section 63.01 of the Commissions Rules and Regulations, File Nos. I-T-C-94-237 and I-T-C-94-357-TC, Telecom and its Customers may not connect private lines provided over these facilities to the public switch network at either the United States or the foreign end or both unless authorized to do so by the Commission.